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China Haisheng Juice Holdings Co., Ltd.

中國海升果汁控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0359)

CHANGES IN ACCOUNTING ESTIMATES OF USEFUL LIVES OF CERTAIN MACHINERIES

CHANGES IN ACCOUNTING ESTIMATES

Following a review of the actual and planned usage of the machineries of China Haisheng Juice Holdings Co., Ltd. (the “Company”) and its subsidiaries (together the “Group”), the board of directors (the “Board”) of the Company, based on the actual conditions of the Group’s machineries, has reassessed and revised the estimated useful lives of certain of the Group’s machineries for the purpose of calculating depreciation, starting from 1 July 2017 pursuant to the relevant International Financial Reporting Standards.

The table below shows the estimated asset useful lives and annual depreciation rates before and after the changes:

Category	Estimated useful lives and annual depreciation rates	
	Before the changes	After the changes
Machinery	6 to 19 years 5.05% to 16.66%	6 to 30 years 3.33% to 16.66%

EXPLANATION ON CHANGES IN ACCOUNTING ESTIMATES

In recent years, the techniques in maintenance of certain machineries have been advanced and the maintenance measures adopted by the Group have been improved as well. Through the optimised daily maintenance and repairing, certain machineries are more resistant to wear and corruption and their expected useful lives have been extended. The Board believes that the extension of the estimated useful lives of these machineries fairly reflect the actual situation of the Group’s machineries.

EFFECT OF THE CHANGES IN ACCOUNTING ESTIMATES

These changes in the estimated useful lives of machineries are accounted for as changes in accounting estimates and applied prospectively with effect from 1 July 2017. Such changes will not impact on the financial statements that have already been disclosed by the Company. Based on the information currently available, these changes in accounting estimates are expected to reduce the Group's depreciation charges from 1 July to 31 December 2017 by approximately RMB19.1 million (equivalent to approximately HK\$21.7 million). This expected reduction is only a preliminary assessment by the Company based on the information currently available, which has not been audited by the Company's external auditor.

OPINION OF THE AUDIT COMMITTEE

The audit committee is of the view that these changes to the estimated useful lives of the Group's machineries fairly reflect the actual situation of the Group's machineries and are in compliance with relevant International Financial Reporting Standards.

By order of the Board of
China Haisheng Juice Holdings Co., Ltd.
Mr. Gao Liang
Chairman

Xi'an, the People's Republic of China, 23 June 2017

As at the date of this announcement, the executive directors are Mr. Gao Liang, Mr. Ding Li, Mr. Zhao Chongjun and Mr. Wang Linsong; the independent non-executive directors are Mr. Zhao Boxiang, Mr. Li Yuanrui and Mr. Chan Bing Chung.

In this announcement, RMB has been converted to HK\$ at the rate of RMB1= HK\$1.14 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.